

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2371 – SB 2464

March 24, 2014

SUMMARY OF ORIGINAL BILL: Removes the moratorium placed on municipal annexation and deletes language requiring the Tennessee Advisory Commission on Intergovernmental Relations (TACIR) to complete a comprehensive review of state policies established within Tenn. Code Ann. Title 6, Chapters 51 and 58. Establishes the “End of Forced Annexation in Tennessee Act”. Removes the ability of any municipality to annex territory upon its own initiative by ordinance.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Due to multiple unknown variables a precise fiscal impact to local government property tax revenue cannot be quantified.

SUMMARY OF AMENDMENTS (014686, 014905): Amendment 014686 deletes all language after the enacting clause. Removes the moratorium placed on municipal annexation. Establishes time frames and conditions for which municipalities may petition county legislative bodies for authorization to waive the requirement for a referendum prior to annexation by ordinance. Requires the Tennessee Advisory Commission on Intergovernmental Relations (TACIR) to complete a comprehensive review and evaluation of the efficacy of state policies established within Tenn. Code Ann. Title 6, Chapters 51 and 58 and to submit a written report of findings and recommendations to the Speaker of the House of Representatives and the Speaker of the Senate no later than February 15, 2015. Prohibits the annexation of property used primarily for agricultural purposes without the consent of the owner of the property. Authorizes Davidson, Moore, and Trousdale counties to expand the area of their urban services districts using any method authorized by their charter. Authorizes a municipality to expand its urban growth boundary and annex a tract of land without a referendum under certain circumstances. Amendment 014905 corrects two typographical errors.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- According to TACIR, any cost associated with the required review can be accommodated within existing resource without an increased appropriation or a reduced reversion.
- Due to multiple unknown variables, such as the number of municipalities have currently initiated annexation proceedings who will be authorized to waive the referendum requirements, the number of municipalities that will desire to annex territory but will be unable to annex, the extent of any property annexed, the extent of any property unable to be annexed, the value of such properties, and the extent of subsequent development that would occur on any annexed property, the fiscal impact to local government revenue cannot be determined.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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